

In the Matter of: )  
 )  
Post Certification Amendment )  
Transmission Lines and ) Docket No. 99-AFC-8C  
Substation Modification )  
BLYTHE ENERGY POWER PLANT )  
(Blythe Energy, LLC) )  
\_\_\_\_\_ )

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

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# I N D E X

	Page
Proceedings	1
Introductions	1
Opening Remarks	1
Presiding Member Geesman	1
Hearing Officer Bouillon	1
Background and Procedural Overview	4
Presentations	7
CEC Staff	7
Applicant	9
Intervenor Caithness Blythe II	11
Intervenor Metropolitan Water District	12
Workshop Schedule; Hearing Locations; Midpoint Substation; Blythe II Certification Process Status	16
CEC Staff	18
Applicant	23
Intervenor Caithness Blythe II	25
Metropolitan Water District	26
Form of Decision	27
Scheduling	29
Closing Remarks	32
Adjournment	32
Certificate of Reporter	33

## P R O C E E D I N G S

10:17 a.m.

PRESIDING MEMBER GEESMAN: This is a prehearing conference for the -- what's the title here, for the Blythe Energy Power Plant Project post-certification amendment transmission lines and substation modification.

I'm John Geesman, the Presiding Member of the Commission's Siting Committee in this proceeding. I'm going to turn the hearing over to Mr. Bouillon.

HEARING OFFICER BOUILLON: Good morning, ladies and gentlemen. My name's Ed Bouillon. I'm the Hearing Advisor in this matter. As Commissioner Geesman has told you, he's the Presiding Member of this Committee. The Associate Member is James Boyd who cannot be here this morning, but he is represented at this hearing by Peter Ward, his Advisor.

As I understand it, the parties to this matter are the applicant, Blythe Energy LLC, represented today by several people who will be introduced in a moment; the staff; intervenors Caithness Blythe II. Is anyone here from -- Mr. Ellison. And Metropolitan Water District. No

1 other intervenors have indicated any intention to  
2 participate in this hearing, or for that matter,  
3 any further proceedings.

4 Has anyone from the Public Adviser's  
5 Office come in? I expect they will be here. I've  
6 been told they were on their way down.

7 This meeting was originally scheduled  
8 and the notice sent out for Hearing Room B because  
9 of some technical problems with recording  
10 equipment, it has been moved here to Hearing Room  
11 A. A notice is being posted on the door of  
12 Hearing Room B. Should there be any latecomers,  
13 they will be directed here both by the notice and  
14 by the security guard at the front, who I have  
15 instructed to refer people here.

16 At this time I would like all of the  
17 parties to introduce themselves starting with the  
18 applicant, Blythe Energy. Mr. Galati, would you  
19 prefer to introduce your people, or have them  
20 introduce themselves?

21 MR. GALATI: My name is Scott Galati,  
22 representing Blythe Energy LLC.

23 MR. PALO: I'm Gary Palo; I'm the  
24 Project Director for Blythe Energy for the Blythe  
25 Energy transmission project.

1                   That concludes representation for Blythe  
2           Energy.

3                   HEARING OFFICER BOUILLON:   And the  
4           staff, Mr. Kramer.

5                   MR. KRAMER:   Good morning, Paul Kramer,  
6           Staff Counsel.   Sitting next to me is Jack  
7           Caswell, the Project Manager.   And we do have  
8           various technical staff in the audience, but we're  
9           not expecting them to need to say anything today.

10                  HEARING OFFICER BOUILLON:   Caithness  
11           Blythe, Mr. Ellison.

12                  MR. ELLISON:   Thank you.   Chris Ellison,  
13           Ellison, Schneider and Harris; here on behalf of  
14           Caithness Blythe II.

15                  HEARING OFFICER BOUILLON:   And MWD.

16                  MS. MAHMUD:   Is represented by Diana  
17           Mahmud.

18                  HEARING OFFICER BOUILLON:   It doesn't  
19           appear that the public defender -- public  
20           defender, Public Adviser has made an appearance  
21           yet.   Other participants who may or may not  
22           participate in this hearing are Western Area Power  
23           Administration -- is anyone here from that  
24           organization?   Bureau of Land Management?   City of  
25           Blythe?   And Cal-ISO?

1           Hearing no response, we will continue.

2           This prehearing conference is conducted  
3 by the Committee as a part of the Energy  
4 Commission's amendment proceeding on the Blythe  
5 Energy Project.

6           A prehearing conference is a public  
7 forum where the Committee will assess the parties'  
8 readiness for evidentiary hearings, identify areas  
9 of agreement or dispute, and discuss the remaining  
10 schedule and procedures necessary to conclude the  
11 amendment process.

12           After the evidentiary hearings the  
13 Energy Commission, Bureau of Land Management and  
14 Western Area Power Administration will jointly  
15 prepare an environmental assessment for the  
16 project to conform with the requirements of the  
17 California Environmental Quality Act, CEQA, and  
18 the National Environmental Policy Act, NEPA.

19           The documents that I believe are  
20 pertinent to today's hearing include the notice of  
21 prehearing conference issued by my office; the  
22 staff's prehearing conference statement;  
23 applicant's prehearing conference statement;  
24 intervenor Caithness Blythe II's prehearing  
25 conference statement; a petition to intervene by

1 MWD; and intervenor MWD's prehearing conference  
2 statement.

3 Are there any other documents that need  
4 to be discussed today that anyone is aware of?

5 We're going to ask each of the parties  
6 to present their respective positions regarding  
7 the topic areas ready for evidentiary hearings;  
8 those that require further analysis, including  
9 such areas as may have arisen now that you've all  
10 had an opportunity to review each other's  
11 prehearing conference statements.

12 Eventually the Commissioner conducting  
13 this procedure, Commissioner Geesman, will issue a  
14 proposed decision. And that will be based solely  
15 on the evidence contained in the public record.

16 I've noted that a petition to intervene  
17 has been filed by the Metropolitan Water District.  
18 And it is the intention of the Committee to grant  
19 that petition today, absent hearing any vehement  
20 opposition from any of the other parties. I do  
21 not anticipate hearing that.

22 Therefore, we will proceed today as if  
23 MWD is already a party to these proceedings, and  
24 we have accepted their prehearing conference  
25 statement. And the matters contained therein will



1 be discussed today.

2 During the course of this hearing we'd  
3 like to proceed in the following manner. First,  
4 I'm going to ask the Commission Staff to outline  
5 its prehearing conference statement, very briefly,  
6 because we have read it. And discuss the matters  
7 raised by the other parties, including  
8 Metropolitan Water District.

9 We'll then ask the applicant to do the  
10 same. And then turn to each of the intervenors in  
11 turn, and ask them to present their positions on  
12 the matters to be discussed.

13 Following these presentations we will  
14 turn to a discussion of scheduling and other  
15 matters.

16 Does anyone have any questions about  
17 this procedure? Hearing none, we will now begin  
18 the presentations. But before we actually start  
19 with the staff, I'm going to ask Commissioner  
20 Geesman if he would like to make a statement.

21 PRESIDING MEMBER GEESMAN: Just that  
22 it's my desire to move this proceeding along at an  
23 appropriate pace. I'd like to hold whatever  
24 hearing needs to be held at some point in early  
25 September, assuming that the parties can meet that

1 calendar. And then I'd like to proceed to  
2 briefing and the proposed decision as quickly  
3 thereafter as possible.

4 This has kicked around our process too  
5 long. We've been unable to do anything about  
6 that. But I have to tell you that the  
7 Commission's philosophy is to process these cases  
8 in a timely fashion. And I'd like to do that with  
9 this one.

10 HEARING OFFICER BOUILLON: Thank you,  
11 Commissioner. In the interest of time I would  
12 like each party to make their presentation and  
13 save any questions anyone has until after everyone  
14 has concluded.

15 Mr. Kramer or Mr. -- who's going to  
16 proceed on behalf of staff?

17 MR. KRAMER: I will.

18 I think it's fair to say that we need to  
19 revise our prehearing statement in light of the  
20 others. We had found basically initially no  
21 significant issues that would require  
22 adjudication.

23 We were anticipating, at the time we  
24 filed, receiving some proposed minor amendments to  
25 the conditions from the applicant. And we did do

1       so.

2               We haven't been able to fully process  
3       those, and we can't come to you today with a final  
4       position on any of those proposals. But we expect  
5       to be able to do so in the near future.

6               Given the issues that were raised by the  
7       other parties, we think it may be best for the  
8       staff to conduct a staff workshop in the next  
9       month or so. I realize that that will affect  
10      Commissioner Geesman's expectations, but some of  
11      the issues are such that a discussion among the  
12      parties may, very likely will resolve most, if not  
13      all, of them.

14              And because of some of the proposed  
15      changes it may be necessary for us to revise our  
16      analysis in the form of an addendum. But if we  
17      are able to do that, then the work of the  
18      Committee, I think, will be much easier. And it  
19      should be fairly easy. if our proposal that an  
20      SPPE-sort of decision is written, to basically  
21      wrap around the final staff analysis, an addendum,  
22      should be fairly easy to produce a decision in a  
23      very short time.

24              And that will also have the advantage of  
25      keeping the document in the form that the federal

1 agencies have participated in preparing and feel  
2 best meets their needs for their own environmental  
3 determinations.

4 And that's -- I hope that's short  
5 enough.

6 HEARING OFFICER BOUILLON: Mr. Galati.

7 MR. GALATI: Yes. Rather than go  
8 through each one of our proposed comments, I think  
9 most of them are fairly straightforward and easy  
10 to understand.

11 The one -- we happen to agree with staff  
12 in this case, and let me explain why. To clarify,  
13 the BLM and Western have been working very closely  
14 with staff, such that this document is actually  
15 their environmental assessment, as opposed to  
16 taking staff's document and preparing another  
17 assessment; and circulating it for all of the  
18 public review.

19 So our understanding, and, staff, please  
20 correct me if I'm wrong, our understanding is that  
21 they will be taking staff's analysis and also  
22 maybe preparing their FONSI based on that  
23 document. Because they've been participating  
24 rather than start the EIS process. This has been  
25 jointly prepared.

1           Because of that, we, too, believe that  
2       the staff assessment takes on a little bit  
3       different character than may have in normal  
4       Commission proceedings. We think that it should  
5       be the basis for the decision.

6           With that in mind, since there are a  
7       couple of issues with Caithness Blythe II on the  
8       location of a mid-point substation, there's some  
9       issues with respect to MWD, we think it would  
10      probably be helpful to a workshop; finalize that  
11      document; have the Commission adopt it as its  
12      decision with a hearing order. And move quite  
13      quickly so the federal agencies can use that  
14      document as the basis of their FONSI.

15          The issues that we've raised we think  
16      are, with respect to staff, I don't think they'll  
17      be rejected out of hand. I think that there might  
18      be some additional wordsmithing between the two  
19      parties to accomplish what we need to accomplish  
20      in some of those changes.

21          With respect to MWD, I believe that it  
22      is largely commercial from the perspective of  
23      whose property, are there appropriate rights-of-  
24      way, are there the rights to build and expand. I  
25      think those are easily solved with a condition of

1 certification should one be required.

2 With respect to the issue raised by MWD  
3 on the airport, we have FAA-approved no-hazard  
4 determination which is being docketed today.  
5 Counsel from MWD has been provided with that. It  
6 needs to be updated in October. My understanding  
7 is there might have been an extension of a runway.  
8 So we're going to look into that issue, as well.

9 Just to remind the Commission that we  
10 proposed two alignments in that area. Both  
11 alignments are acceptable to us.

12 So I think a workshop is going to be  
13 helpful; and I think it would actually expedite  
14 matters rather ask Commissioner Geesman and the  
15 Committee to resolve the issues and actually  
16 adjudicate them.

17 HEARING OFFICER BOUILLON: Thank you.  
18 Mr. Ellison.

19 MR. ELLISON: In the interest of time  
20 let me just say we support the workshop idea; we  
21 support the process that the staff and the  
22 applicant are suggesting. And we will be able to  
23 answer any questions the Committee may have about  
24 process or about our issue. But we are optimistic  
25 that our issue could be resolved in the fashion

1       that Mr. Galati described.

2               HEARING OFFICER BOUILLON:   Ms. Mahmud.

3               MS. MAHMUD:   Thank you.   Metropolitan  
4       also supports staff's recommendation for a  
5       workshop.   We do anticipate that we will be able  
6       to work out our issues with applicant.   But we do  
7       need some detailed time reviewing maps, reviewing  
8       them particularly in light of the extension of our  
9       airstrip that I understand has occurred subsequent  
10      to the requested FAA certification.

11              And we would just note that that  
12      certification states on its face that it is only  
13      valid until October of this year.   So obviously  
14      there would need to be some formal re-examination  
15      of that in light of updated information regarding  
16      our airstrip.

17              And I think our issues are fairly  
18      clearly set forth in our prehearing conference  
19      statement that I would be happy to answer any  
20      questions that might arise.

21              Thank you.

22              HEARING OFFICER BOUILLON:   With regard  
23      to that last point, it's my understanding from  
24      reviewing the staff analysis that there are some  
25      places in there where MWD has acknowledged that

1 the owner of the substation where the line's going  
2 to end, and some other places that seems to  
3 indicate that Southern California Edison is the  
4 proper party.

5 But I think what I've heard in the last  
6 week or so indicates that it is MWD's ownership,  
7 at least of the land; and that Southern California  
8 Edison may own some of the equipment or some of  
9 the license rights. Is that correct, Ms. Mahmud?

10 MS. MAHMUD: Pursuant to several,  
11 actual, long-standing agreements between Southern  
12 California Edison and Metropolitan, Metropolitan  
13 has permitted Edison to erect, maintain, operate a  
14 substation that is immediately adjacent to another  
15 substation that's actually the terminus of  
16 Metropolitan's 230 kV transmission line, which was  
17 built back in the '30s to provide electric service  
18 to our five water pumping plants along our  
19 Colorado River aqueduct.

20 I understand that from a technical  
21 electric transmission standpoint FPL  
22 representatives have been working with  
23 Metropolitan and with Edison, and we don't  
24 anticipate any technical electric transmission  
25 issues. And you'll note that there are none



1 identified in our prehearing conference statement.

2 However, I should note that Edison, as I  
3 mentioned, is only there by virtue of contract  
4 rights. And that the latest contract does provide  
5 for a five-year advanced notice of termination, or  
6 termination in 2017. So that's an important  
7 consideration I think that Metropolitan wanted to  
8 make you all aware of.

9 HEARING OFFICER BOUILLON: Thank you.

10 With regard to the timing of this matter I noticed  
11 that contrary to the Commission's desires in this  
12 matter, MWD sees no need for speed in this or any  
13 kind of an expedited hearing, although we did not  
14 anticipate an expedited hearing.

15 You make mention of the fact that there  
16 is a two-year study that will need to be  
17 undertaken I believe the path rating and  
18 operational studies will required between one and  
19 two years to complete.

20 You're not suggesting that we have to  
21 wait for those to be complete to rule on a  
22 certification, are you?

23 MS. MAHMUD: No. We were just  
24 referencing a statement actually in the staff  
25 assessment that referenced, I think, Edison's

1       anticipated -- I'm not sure if it's Edison or  
2       Western Area Power Administration, but our  
3       understanding is that it's been estimated that the  
4       technical path, WECC path rating, will take up to  
5       two years. And I believe that it's well  
6       anticipated that it will take at least a year.

7               So our simple point was that as a matter  
8       of actually realizing construction of this  
9       project, based upon the need for additional  
10      technical electrical transmission studies that  
11      have yet to take place, any delay in this process  
12      would not actually delay the fruition of the  
13      project.

14             HEARING OFFICER BOUILLON: Thank you.  
15      Mr. Caswell, do you have any comments on that, on  
16      the path rating study?

17             MR. KRAMER: I would just note that  
18      there's a condition of certification that says  
19      construction cannot start until the studies are  
20      completed.

21             MR. PALO: The applicant would have a  
22      statement on that.

23             HEARING OFFICER BOUILLON: Yes.

24             MR. PALO: Path rating studies must be  
25      done for any new transmission upgrade of this

1 nature. And those are conducted required by Cal-  
2 ISO and then Southern California Edison as the  
3 transmission provider in that area.

4 It would, at least we would have Edison  
5 do the, you know, handle the study on behalf of  
6 Blythe Energy. They are somewhat reluctant to  
7 start such a study until all facility studies are  
8 completed. And there's one still underway for one  
9 of the two components.

10 And secondly, I think they would be  
11 somewhat reluctant to start a path rating study  
12 until we can demonstrate to them that we have a  
13 permitted project.

14 So the applicant is very interested in  
15 the schedule moving forward as expeditiously as  
16 possible so that we could then fund those  
17 path rating studies and have those initiated.

18 Thank you.

19 HEARING OFFICER BOUILLON: I would like  
20 each of you to consider for a moment both with  
21 regard to scheduling, when a workshop could be  
22 accomplished, how long that would take, and  
23 whether a single workshop would be sufficient.

24 And also the location where we could  
25 hold the hearings in this matter. I noticed staff

1 raised the point that there may be some local  
2 populace or Native American participation in the  
3 evidentiary hearings, at least from a statement  
4 standpoint, that might require us to hold a  
5 hearing in the area of the project, itself, as  
6 opposed to holding a hearing in Sacramento.

7 Under the requirements of the law, since  
8 this is only an amendment, we're not required to  
9 hold a hearing in the project area, since we've  
10 already done that for the original certification.

11 So, starting -- let me add one thing to  
12 that. Also with regard to the location of the  
13 midpoint substation, I'd like to know how big a  
14 problem that really is with regard to the timing  
15 and whether or not that can be worked out, and  
16 whether or not that's going to cause a delay in  
17 the proceedings.

18 And specifically from Mr. Ellison, when  
19 it comes to him, I'd like him to discuss the state  
20 of that certification process, because I really  
21 don't know what's going on with Blythe II at the  
22 moment. And so I think we all ought to be on the  
23 same page with regard to that.

24 But I'd like to start with Mr. Kramer on  
25 those points.

1           MR. KRAMER: I think the substation is  
2           probably, will take the most time to resolve. But  
3           not necessarily a lot of time.

4           The issue is, at least preliminarily,  
5           we've talked about the idea of perhaps approving  
6           two substations as alternatives, one or the other,  
7           to allow flexibility as these parties move  
8           forward.

9           Obviously we've analyzed the currently  
10          proposed substation. And the new substation that  
11          Caithness is talking about, first of all, it's  
12          received, I presume, pretty thorough analysis in  
13          the environmental documents for the Desert  
14          Southwest project. So presumably all the  
15          information necessary for staff to prepare its  
16          analysis is available.

17          Whether it's in our hands at this point,  
18          I couldn't tell you for certain. It will take a  
19          little bit of time to prepare that analysis, but  
20          first we need to nail down the two sites, if you  
21          will, that we may want to recommend that you  
22          approve. And then we can check and write the  
23          revised analysis.

24          Because the work is presumed to be done,  
25          it won't take time for field surveys; we won't be

1       hung up because it's the wrong time of year for  
2       some endangered plant or anything like that. But  
3       it will probably take a month or two.

4               PRESIDING MEMBER GEESMAN: To do what?  
5       What are you going to spend a month or two doing?

6               MR. KRAMER: Realistically to prepare a  
7       document among the staff and get it reviewed takes  
8       some time. First we need to agree with the other  
9       parties exactly what the location is. We'd hate  
10      to analyze the wrong one and have to do it again.  
11      And that may take a little bit of time.

12              As far as scheduling goes, the one  
13      complexity I suppose is, at least from my  
14      standpoint, is that I'm going to be transferring  
15      to the Hearing Office probably the middle of this  
16      month. And for my own financial benefits I need  
17      to take a Administrative Law Judge training. I'm  
18      out of state from the 21st to the 31st.

19              I could probably telecommute to a  
20      workshop. But I don't want to miss that training  
21      because if I do I won't be going to the Hearing  
22      Office.

23              PRESIDING MEMBER GEESMAN: Well, and the  
24      Commission attaches a pretty high priority to  
25      bolstering the Hearing Office. So, that's an

1 acceptable explanation.

2 MR. KRAMER: But I think I could  
3 probably telecommute. Otherwise we're talking the  
4 first of September for a workshop, somewhere in  
5 there. And Mr. Caswell wanted to say something.

6 HEARING OFFICER BOUILLON: Before you  
7 get to Mr. Caswell, I'd like to ask, Arlene, are  
8 you prepared to deal with the absence of Mr.  
9 Kramer and put someone else on this project,  
10 since --

11 MR. KRAMER: Well, the plan was to be  
12 that I would continue to work on this one to its  
13 completion. I don't think -- we were hoping that  
14 it was going to be a month or two. It looks like  
15 it will be a little bit longer, but I don't  
16 believe that's going to affect that arrangement.

17 HEARING OFFICER BOUILLON: Yes, thank  
18 you. Mr. Caswell.

19 MR. CASWELL: The proposal here is to  
20 change the project description basically. We've  
21 reviewed a 6.7-mile line component to the midpoint  
22 substation.

23 HEARING OFFICER BOUILLON: If it was not  
24 on, please start over.

25 MR. CASWELL: The proposal here is to

1 change the project description basically. This  
2 will be the, I believe, fifth change to the  
3 project description in this process. What has  
4 been reviewed or not reviewed for the new  
5 proposed, or will be proposed location for the  
6 midpoint substation, I don't know exactly what has  
7 or has not been done for that site.

8 It also impacts the fact that part of  
9 that component was a 6.7-mile transmission line.  
10 That's not going to be a 6.7 transmission line any  
11 longer. I don't know what they're proposing to  
12 do. Abandon that portion of that project; extend  
13 that portion of the project; identify the exact  
14 location and placement of those poles, as we  
15 required.

16 This could take a considerable amount of  
17 time based on yet again, I don't know all of  
18 staff's schedules and workloads. I can tell you  
19 we have a rather large number of projects, siting  
20 projects here at the Energy Commission. And  
21 anticipate more coming in.

22 So the best scenario would be a couple  
23 of months would be my guess. And that would be  
24 lucky if we could do that, I would think, based on  
25 what we don't know or what the exact proposal to



1 the change of this amendment is at this point.

2 I can tell you that we have done quite a  
3 few changes here to react to these project changes  
4 after analysis was written; to go back and rewrite  
5 analysis. So, you know, I don't want to give you  
6 any false hope that in 60 days this would be  
7 complete.

8 HEARING OFFICER BOUILLON: Let me ask  
9 you one other question. How does this study of an  
10 alternate location for that substation affect the  
11 federal agencies we're dealing with and your  
12 cooperation with them?

13 MR. CASWELL: This idea has not been  
14 presented to either Western or BLM. And their  
15 workload and their availability to continue to  
16 cooperate in this process is unknown at this  
17 point. There is no MOU between BLM; it's kind of  
18 handshake deal that we've established here to  
19 solicit their cooperation through this process.

20 I can't speak for Western or BLM. I  
21 would have to present the new project changes to  
22 them; talk about capture what needs to be studied  
23 and what does not need to be studied, both for  
24 NEPA and CEQA purposes. And then discuss a  
25 timeframe with them, as well. Because they are,

1 for all intents and purposes, staff reviewing this  
2 project.

3 HEARING OFFICER BOUILLON: Mr. Galati.

4 MR. GALATI: I think the first point on  
5 the substation, let me address that, on the option  
6 for the substation. What's driving this is that  
7 BLM wants to issue a right-of-way grant for one  
8 substation and not for two substations.

9 My understanding, and Mr. Ellison can  
10 clarify, is that for the Desert Southwest  
11 Transmission project, my understanding is BLM has  
12 weighed in and has evaluated the substation that  
13 is being identified as an option here. They  
14 haven't identified that in this proceeding, but  
15 they have identified it in the Desert Southwest  
16 Transmission project proceeding.

17 It's not our wish to delay our project,  
18 but understanding that the federal agency wants to  
19 issue one right-of-way and not two, it also makes  
20 sense to us to make sure we have the option  
21 whichever one BLM decides to eventually issue.

22 And, again, we're trying to go in  
23 parallel. And that provides some level of  
24 uncertainty.

25 What we would propose is that we could

1       get together in a workshop setting before Mr.  
2       Kramer leaves, and at least outline what we're  
3       trying to accomplish. And then we can provide any  
4       information at that workshop and staff could be  
5       working on that while he's gone. When they come  
6       back, he can review, and then they could issue an  
7       errata and we could go to hearing on that. That  
8       would be the best way we could see to go forward.

9               With respect to the transmission line  
10       that connects to the currently Blythe Energy  
11       located midpoint substation, our understanding is  
12       that the right-of-way for the transmission line  
13       for the second component in this project, that the  
14       wires would be put there. And that there wouldn't  
15       be an additional right-of-way to evaluate.

16              So, we're hoping, based on everything  
17       we've seen and what Caithness Blythe II has told  
18       us, that it should be fairly, I don't want to say  
19       simple, but not as complex as staff may be  
20       anticipating. That's the first comment.

21              With respect to the question on hearing,  
22       where should the hearing be, we think Palm Springs  
23       would be a good idea for the following reason.  
24       The Blythe Energy project had some active  
25       intervenors. Those active intervenors eventually

1 sued the Energy Commission.

2 What we want to do is out an abundance  
3 of caution provide maybe something the law doesn't  
4 require, but a location that allows them to  
5 participate, should they want to. This is not  
6 uncommon for them not to have filed a prehearing  
7 conference statement. In Blythe I the same thing  
8 happened. And they came and participated in the  
9 hearing. They participated in Blythe II. I don't  
10 know what else they've been participating in, but  
11 I think out of an abundance of caution we ought to  
12 have a hearing in maybe Palm Springs.

13 PRESIDING MEMBER GEESMAN: But the  
14 workshop, I presume, could be here?

15 MR. GALATI: I think the workshop should  
16 be here. And my apologies to the MWD Counsel, she  
17 would be the only one that would really have to  
18 travel, as well as my client, Mr. Palo.

19 But here staff is available, and should  
20 there be the need to grab a technical person and  
21 work things out, roll up sleeves, get condition  
22 language down, I think it would be very beneficial  
23 to have it here.

24 HEARING OFFICER BOUILLON: Mr. Ellison.

25 MR. ELLISON: I think two key points on

1       our issue have already been made. Let me just  
2       reemphasize them.

3               Mr. Kramer is correct that a great deal  
4       of analysis has been done in the context of the  
5       Desert Southwest Transmission project of our  
6       proposed location for the substation. And that  
7       information has been reviewed by BLM in the  
8       context, as Mr. Galati mentioned, of their review  
9       of the right-of-way.

10              And I agree with everything that Mr.  
11       Galati said about we do not view this as an issue  
12       that should significantly delay this proceeding.  
13       And, in fact, given BLM's stated desire to only  
14       have one right-of-way, we think it's in the  
15       interests of all parties to make sure that there  
16       is an option approved by the Commission that  
17       accommodates the two alternatives that BLM is  
18       considering.

19              As to the location of the hearing, we  
20       have no position on that. We'd be happy to go  
21       wherever the Commission thinks is most  
22       appropriate.

23              HEARING OFFICER BOUILLON: Thank you.  
24       Ms. Mahmud.

25              MS. MAHMUD: Thank you. I have no

1 further comment on the substation issue that does  
2 not affect Metropolitan.

3 As to the location of the workshop and  
4 the hearing we have a slight preference for Palm  
5 Springs, but the traffic on the I-10 is such that  
6 we might be able to arrive here in a more  
7 expeditious manner.

8 HEARING OFFICER BOUILLON: Thank you.  
9 Staff indicated that the form of our decision  
10 might be different than a complete review, as is  
11 normally done, and a certification of an original  
12 power plant license -- recertification of an  
13 original power plant license, since this is just  
14 an amendment process.

15 Do any of the parties have any comments  
16 either in favor or contrary to the staff's  
17 position on that matter? Mr. Galati.

18 MR. GALATI: Yes, we're in favor of  
19 staff's position for the following reason. This  
20 is an additional transmission component. And if  
21 you look at the way the staff assessment has been  
22 set up, there are additional conditions of  
23 certification that apply to the transmission line;  
24 very few, if any of the conditions of  
25 certification that apply to the power plant are

1       being modified.

2               So the idea of showing the redline/  
3       strikeout sort of modifications that you will see  
4       when an applicant has made a change to the  
5       project, we think it's very simple to add these  
6       on.

7               So from that perspective what we  
8       anticipate is maybe an order that said the  
9       following conditions are added to the license, as  
10      opposed to a whole new discussion of evidence and  
11      everything else as you would normally see in a  
12      licensing. If there was any discussion maybe it  
13      would be very discrete topics.

14              We think that would be a lot easier for  
15      the Hearing Officer to write, and we would get  
16      that out quicker. Our goal, again, is to get this  
17      at a business meeting by the end of the year.

18              HEARING OFFICER BOUILLON: Do either of  
19      the intervenors have any position on that?

20              MR. ELLISON: No.

21              MS. MAHMUD: Metropolitan does not.

22              HEARING OFFICER BOUILLON: Thank you.

23              (Pause.)

24              PRESIDING MEMBER GEESMAN: I would still  
25      like to have the evidentiary hearing by the end of

1       September. And I think what Mr. Bouillon is going  
2       to suggest to you is that you stick around here  
3       this morning, talk among yourselves as to what a  
4       schedule can look like. And then jointly, if you  
5       can, submit a proposal to us.

6               But I would very much like to have the  
7       evidentiary hearing by the end of September. I  
8       think that will render a decision by the  
9       Commission possible by the end of the year.

10              And I will tell you that we get into  
11       September and October and it's an extremely  
12       difficult time to schedule hearings. I think that  
13       the Palm Springs idea is a good one.

14              HEARING OFFICER BOUILLON: As  
15       Commissioner Geesman pointed out, we would like to  
16       schedule this matter by the end of September. I  
17       would like to point out that for me to preside, or  
18       to assist at the hearing it will have to be  
19       scheduled prior to September -- on or before  
20       September 22nd, since I leave for Europe for about  
21       a month at that time.

22              But my schedule is not going to impede  
23       these hearings. And as you also noted, it's my  
24       intention to ask you to remain in some sort of  
25       informal conference with or without me, and



1 discuss these matters somewhat informally off the  
2 record, and see if you can come up with either a  
3 joint brief to be filed within the next few days,  
4 or individual briefs about the schedule, itself.

5 I think the consensus is that we're  
6 going to have this hearing in Palm Springs, so  
7 that point, unless there's some disagreement about  
8 that during your talks, does not need to be  
9 addressed.

10 But I'd like to know something more  
11 about the -- I'd like you guys to discuss the  
12 topic of the workshops, how long those would take,  
13 when those can be accommodated. And then when we  
14 could have the hearings, themselves.

15 And I will leave you this room since  
16 it's available. We will turn the recording  
17 equipment off and it will be a very informal  
18 process. I'll be in my office down the hall if  
19 you'd like me to come in and discuss scheduling,  
20 which we can do.

21 Other than that I believe we can  
22 conclude this hearing.

23 MR. GALATI: Can I ask one clarifying  
24 question. Since this is an amendment process,  
25 would you be asking the applicant to file formal

1 testimony before that hearing? And if so, could  
2 we relax the rules such that that testimony was  
3 filed, let's say, five days before the hearing  
4 instead of 10 or 14 days? That would help us  
5 probably with the schedule.

6 HEARING OFFICER BOUILLON: That is  
7 certainly a possibility; and I think that's  
8 something you can discuss informally. And if you  
9 see the need for that, and if you see that that  
10 will speed up the process and you can point that  
11 out to me, then certainly we will consider that.

12 MR. GALATI: Thank you.

13 HEARING OFFICER BOUILLON: If the other  
14 parties -- if there's no strong objection by the  
15 other parties, and I don't know that there won't  
16 be.

17 Any other questions?

18 MR. PALO: On behalf of the applicant I  
19 just want to thank the Energy Commission and its  
20 staff for the amount of attention that this  
21 project has received over the past several years  
22 since we've filed the application.

23 A lot of the delay was really our  
24 responsibility and those of outside parties, such  
25 as Edison, the Cal-ISO in terms of studies. And

1 we know that -- we've all had to be very patient  
2 with that.

3 But we appreciate the attention that we  
4 have received from the CEC and its staff and the  
5 professional nature of all of the discourse that's  
6 taken place. This project's very important to us  
7 and we appreciate your interest in wanting to move  
8 it and try to see if we can't get it done by the  
9 end of the year. Thank you very much.

10 HEARING OFFICER BOUILLON: You're  
11 welcome, thank you.

12 Before we conclude I'd like to ask if  
13 there's any members of the public that would like  
14 to make any statement. Hearing no response.

15 Commissioner Geesman, would you like to  
16 close the meeting?

17 This meeting is adjourned.

18 (Whereupon, at 10:56 a.m., the  
19 prehearing conference was adjourned.)

20 --o0o--

## CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter,  
do hereby certify that I am a disinterested person  
herein; that I recorded the foregoing California  
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was thereafter transcribed into typewriting.

I further certify that I am not of  
counsel or attorney for any of the parties to said  
conference, nor in any way interested in outcome  
of said conference.

IN WITNESS WHEREOF, I have hereunto set  
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